

SACRAMENTO COUNTY ECONOMIC FORECAST

Sacramento County is home to the state capital and 7th largest city in California. Sacramento County has a population of 1.44 million people and 571,460 wage and salary jobs. The per capita income in Sacramento County is \$35,857, and the average salary per worker is \$60,494.

Employment in the Sacramento Valley (consisting of Sacramento, Yolo, Placer, El Dorado, Yuba and Sutter Counties) fell at a rate of -4.9 percent during 2009, the worst employment loss on record. In 2009, 27,800 total wage and salary jobs were lost in Sacramento County, a decline of -4.6 percent. Non-farm employment fell by 4.7 percent. The unemployment rate increased to 11.9 percent in 2009.

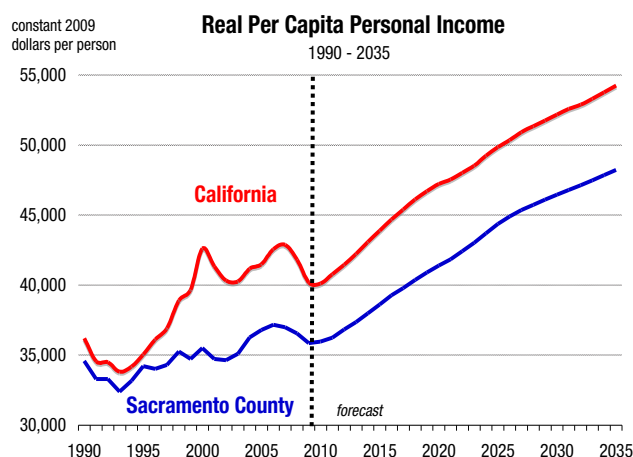
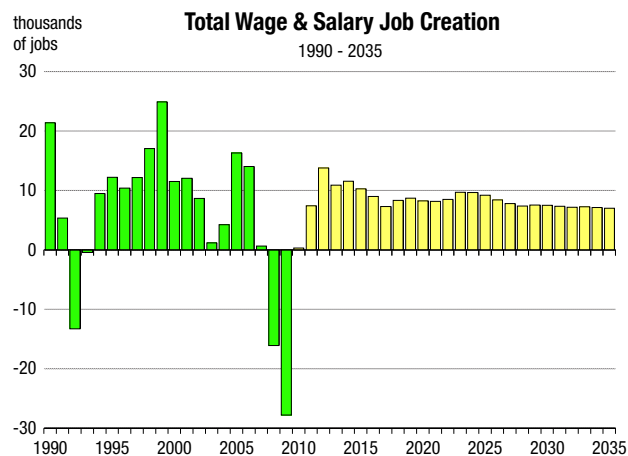
The only sectors that produced jobs in Sacramento County during 2009 were healthcare and education and the farm sector. Employment in construction declined over 20 percent, due principally to the steep decline in housing production that fell to less than 10 percent of peak levels (in 2002, 2003 and 2004). Other sectors that lost over 3,000 jobs during 2009 included professional business services, leisure, financial activities, and retail trade.

The city of Sacramento, which accounts for 34 percent of the total population in the county, grew at a rate of 1.4 percent between January 2008 and January 2009. The fastest growing city in the county is Rancho Cordova which grew 1.8 percent during this time period.

Employment growth in Sacramento County is expected to remain modest over the next few years, while population growth slows significantly from turn of the century levels.

FORECAST HIGHLIGHTS

- Job growth is forecast to be approximately zero during 2010. From 2010 to 2015, the rate is forecast to average 1.8 percent per year.
- Average salaries adjusted for inflation are currently slightly above the California state average, though California is forecast to surpass Sacramento in the later years of the forecast. Average salaries adjusted for inflation rise an average of 0.5 percent per year from 2010 to 2015.
- Between 2010 and 2015, jobs will be created predominantly in professional services, construction, government, and retail trade. These four sectors are forecast to contribute 74 percent of all jobs created in the county from 2010 to 2015. The financial activities sector remains stagnant over this period, growing less than one percent.

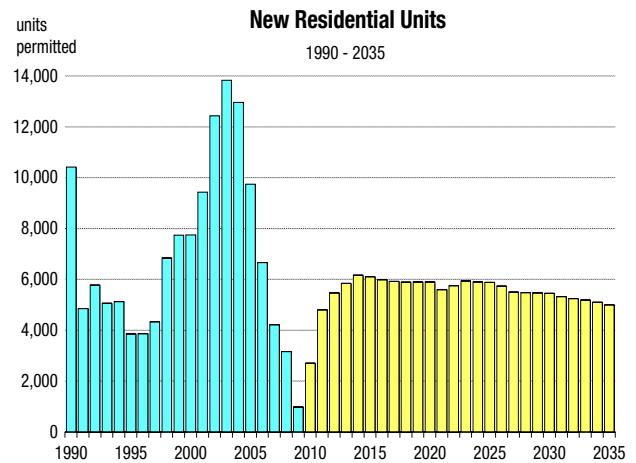
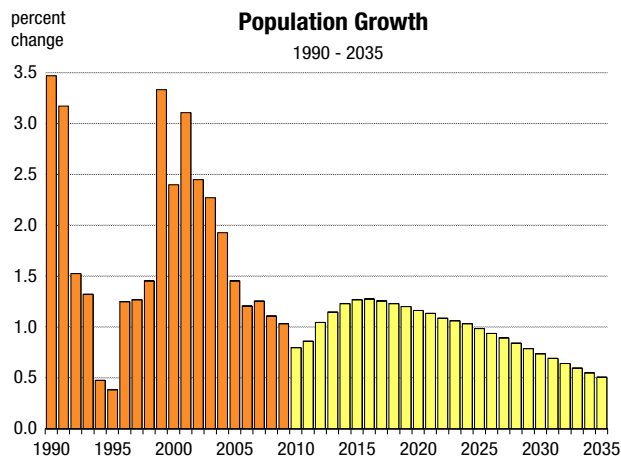


- The population will continue to grow, but at a lower rate than in the previous five years. Annual growth in the 2010 to 2015 period averages 1.1 percent per year.
- No net positive migration is expected in 2010. The forecast actually calls for slightly negative net migration. Between 2010 and 2015 net migration is forecast to average 4,500 net migrants entering the county per year.
- Real per capita incomes are forecast to rise 0.3 percent in 2010, and accelerate thereafter, averaging 1.4 percent growth per year over the 2010 to 2015 period.
- Total taxable sales adjusted for inflation are expected to fall 3.0 percent during 2010, but rebound strongly by 2012. From 2010 to 2015 the average annual growth rate is 3.4 percent per year.
- Industrial production will not change significantly during 2010. Between 2010 and 2015 industrial production is forecast to rise by an average of 3.3 percent per year.

Sacramento County Economic Forecast

2002-2009 History, 2010-2035 Forecast

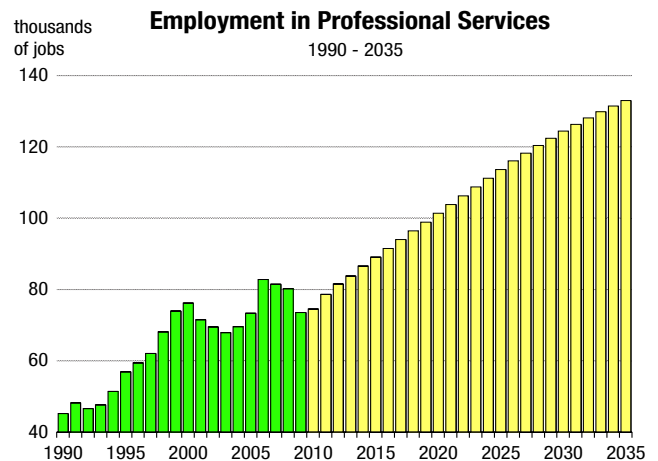
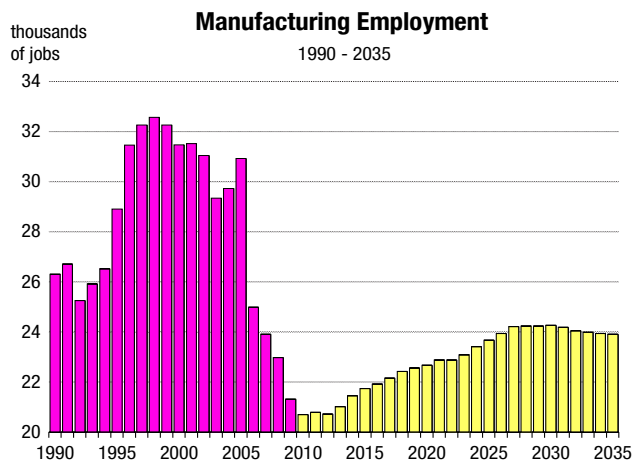
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2002	1,303,023	21,491	1,098.0	469.3	12,440	\$17.7	\$38.8	\$34,633	1.6	322.2	4.73	5.7
2003	1,332,630	19,348	1,110.1	480.5	13,833	\$18.6	\$41.0	\$35,096	1.8	315.2	4.77	5.9
2004	1,358,331	15,017	1,187.2	490.8	12,962	\$20.3	\$43.7	\$36,271	1.2	367.5	5.05	5.6
2005	1,378,086	8,374	1,181.6	502.1	9,749	\$21.4	\$45.8	\$36,800	2.0	374.0	5.51	4.9
2006	1,394,728	5,210	1,174.3	512.9	6,663	\$21.2	\$48.3	\$37,161	3.2	330.5	5.18	4.8
2007	1,412,242	5,709	1,166.0	521.6	4,223	\$20.6	\$50.4	\$36,987	3.4	380.0	5.16	5.4
2008	1,427,885	3,679	1,157.0	526.7	3,164	\$19.7	\$51.8	\$36,549	3.0	361.9	5.11	7.2
2009	1,442,655	2,757	1,137.7	530.1	988	\$19.0	\$51.7	\$35,857	1.2	341.4	4.97	11.9
2010	1,454,172	-201	1,147.3	530.9	2,711	\$18.9	\$53.4	\$35,967	2.2	338.6	4.96	11.8
2011	1,466,705	1,119	1,158.0	533.5	4,810	\$19.4	\$55.6	\$36,252	2.4	342.1	5.08	10.5
2012	1,482,054	4,112	1,168.4	538.2	5,478	\$20.5	\$58.3	\$36,823	2.1	346.3	5.26	8.9
2013	1,499,050	5,890	1,179.8	543.5	5,844	\$21.8	\$61.2	\$37,366	2.2	349.8	5.45	8.1
2014	1,517,518	7,460	1,193.0	549.1	6,170	\$23.3	\$64.3	\$37,986	2.2	352.5	5.65	7.3
2015	1,536,788	8,398	1,206.7	555.1	6,113	\$24.9	\$67.7	\$38,620	2.2	354.6	5.85	6.8
2016	1,556,402	8,889	1,221.3	561.0	5,989	\$26.5	\$71.2	\$39,266	2.2	355.8	6.01	6.6
2017	1,575,979	9,017	1,235.0	566.8	5,921	\$28.2	\$74.7	\$39,785	2.2	354.0	6.20	6.5
2018	1,595,373	9,028	1,247.2	572.6	5,891	\$29.6	\$78.4	\$40,368	2.2	351.0	6.39	6.4
2019	1,614,552	9,041	1,258.3	578.3	5,908	\$31.2	\$82.1	\$40,898	2.2	348.6	6.60	6.2
2020	1,633,353	8,945	1,267.4	584.0	5,901	\$32.9	\$85.8	\$41,400	2.1	347.5	6.81	6.1
2021	1,651,873	8,988	1,275.8	589.7	5,605	\$34.6	\$90.0	\$41,842	2.5	348.4	7.06	6.1
2022	1,669,815	8,824	1,281.6	595.2	5,756	\$36.2	\$94.6	\$42,413	2.6	349.5	7.27	6.0
2023	1,687,578	9,090	1,286.5	600.7	5,946	\$37.8	\$99.5	\$43,028	2.5	350.1	7.52	5.9
2024	1,705,022	9,261	1,291.5	606.5	5,904	\$39.5	\$104.5	\$43,698	2.4	350.9	7.81	5.8
2025	1,721,830	9,186	1,294.3	612.2	5,885	\$41.3	\$109.8	\$44,361	2.5	351.3	8.09	5.7
2026	1,738,000	9,095	1,298.7	617.9	5,740	\$43.2	\$114.9	\$44,897	2.5	351.9	8.39	5.7
2027	1,753,558	9,073	1,303.0	623.5	5,500	\$45.2	\$120.2	\$45,352	2.6	352.2	8.71	5.7
2028	1,768,302	8,888	1,307.6	628.8	5,482	\$47.3	\$125.6	\$45,736	2.8	352.7	8.99	5.7
2029	1,782,269	8,725	1,312.7	634.1	5,471	\$49.5	\$131.1	\$46,100	2.7	353.0	9.28	5.6
2030	1,795,432	8,494	1,318.3	639.4	5,455	\$51.8	\$136.6	\$46,450	2.7	353.4	9.58	5.5
2031	1,807,863	8,275	1,323.4	644.7	5,329	\$54.2	\$142.3	\$46,791	2.7	353.8	9.89	5.5
2032	1,819,501	7,972	1,328.7	649.8	5,249	\$56.7	\$148.1	\$47,126	2.7	354.2	10.21	5.5
2033	1,830,373	7,680	1,334.1	654.9	5,187	\$59.3	\$154.1	\$47,477	2.7	354.5	10.54	5.6
2034	1,840,458	7,357	1,338.6	660.0	5,101	\$62.1	\$160.3	\$47,846	2.7	354.9	10.88	5.7
2035	1,849,787	7,077	1,342.1	664.9	5,010	\$65.0	\$166.7	\$48,223	2.7	355.2	11.24	5.7

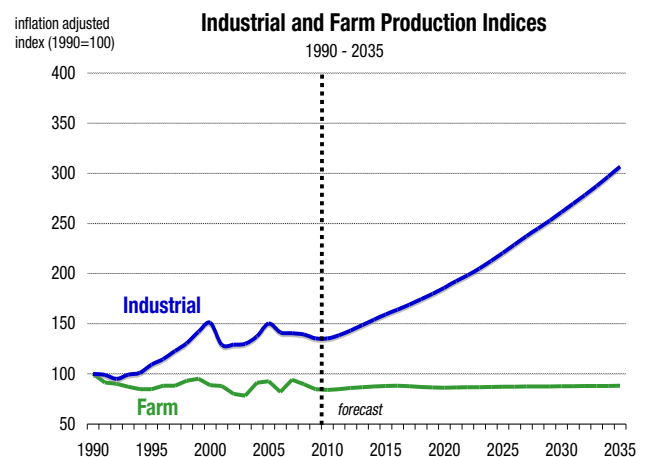
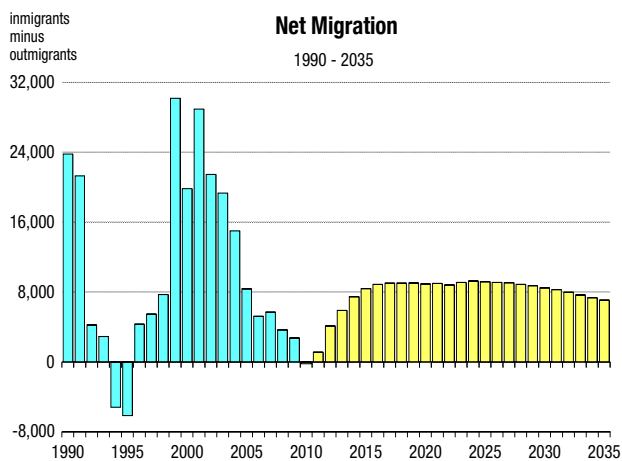
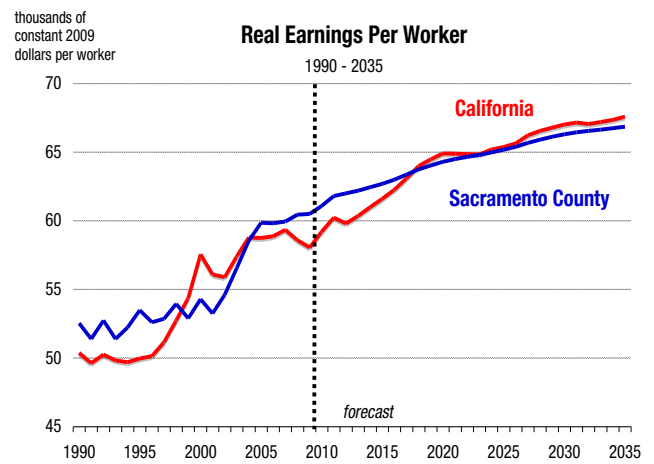
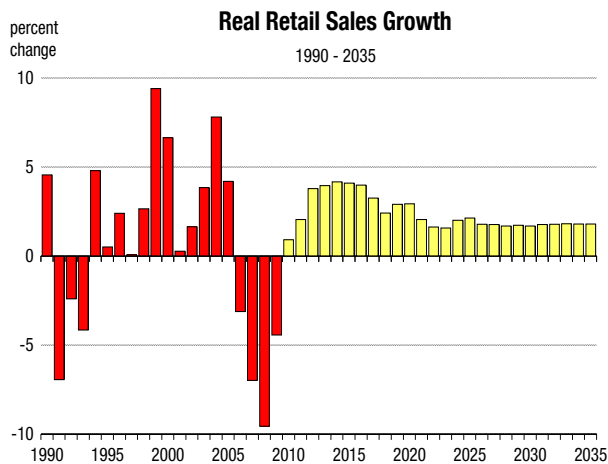


Sacramento County Employment Forecast

2002-2009 History, 2010-2035 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2002	578.8	2.65	37.4	31.1	11.2	78.1	40.8	69.6	18.9	55.4	46.5	166.0
2003	580.0	2.38	40.2	29.3	11.4	80.5	43.3	67.9	17.4	57.4	47.2	161.8
2004	584.3	2.58	43.6	29.7	11.7	82.2	43.6	69.6	16.3	60.0	48.2	155.5
2005	600.6	2.67	45.7	30.9	12.2	83.2	45.3	73.4	15.5	62.8	49.5	158.4
2006	614.7	2.70	43.7	25.0	12.9	84.5	45.9	82.8	15.3	66.0	52.3	163.1
2007	615.3	2.93	41.8	23.9	13.7	81.9	43.4	81.5	15.5	68.4	53.3	168.4
2008	599.2	2.87	34.3	23.0	13.6	76.8	39.9	80.3	14.9	70.0	52.3	171.7
2009	571.5	2.98	27.0	21.3	13.0	70.8	36.9	73.6	13.5	72.5	48.9	171.7
2010	571.8	2.97	27.1	20.7	13.0	71.0	37.1	74.5	13.4	73.7	50.1	168.7
2011	579.2	2.99	29.2	20.8	13.3	72.3	37.1	78.7	13.6	74.6	50.9	166.0
2012	593.0	3.01	31.4	20.7	13.7	74.7	37.8	81.6	13.7	75.3	51.7	169.2
2013	604.0	3.03	33.8	21.0	14.1	76.3	37.3	83.8	13.9	75.9	52.4	171.9
2014	615.5	3.05	36.2	21.5	14.5	77.9	37.2	86.6	14.1	76.5	53.1	174.4
2015	625.8	3.06	37.5	21.7	14.9	79.4	37.5	89.1	14.2	76.9	53.9	176.7
2016	634.8	3.07	38.1	21.9	15.3	80.8	38.2	91.6	14.3	77.3	54.8	178.3
2017	642.1	3.06	38.4	22.2	15.6	81.7	38.5	94.0	14.4	77.7	55.5	179.8
2018	650.5	3.04	38.6	22.4	16.0	82.5	38.8	96.5	14.5	78.0	56.2	182.5
2019	659.2	3.02	38.7	22.6	16.3	83.4	38.9	98.9	14.5	78.4	56.9	185.9
2020	667.5	3.02	38.8	22.7	16.7	84.3	38.8	101.4	14.6	78.8	57.6	188.9
2021	675.7	3.02	38.5	22.9	17.1	85.4	38.9	103.9	14.6	79.3	58.3	191.7
2022	684.2	3.03	38.5	22.9	17.5	86.5	39.0	106.3	14.7	79.8	59.0	194.6
2023	693.9	3.03	38.7	23.1	18.0	87.9	39.4	108.8	14.8	80.5	59.6	197.5
2024	703.5	3.04	38.8	23.4	18.4	89.2	40.0	111.2	14.9	81.2	60.2	200.2
2025	712.8	3.04	38.8	23.7	18.8	90.5	40.5	113.7	15.0	82.0	60.8	202.9
2026	721.2	3.04	38.7	23.9	19.1	91.6	40.8	116.1	15.1	82.8	61.4	205.2
2027	729.0	3.05	38.4	24.2	19.4	92.6	41.1	118.3	15.2	83.5	62.0	207.7
2028	736.4	3.05	38.0	24.2	19.7	93.5	41.2	120.4	15.4	84.3	62.7	210.2
2029	744.0	3.05	37.8	24.2	20.0	94.6	41.4	122.5	15.5	85.0	63.3	212.6
2030	751.5	3.05	37.6	24.3	20.3	95.6	41.7	124.5	15.6	85.6	63.9	215.1
2031	758.9	3.05	37.3	24.2	20.7	96.7	42.0	126.4	15.7	86.2	64.6	217.6
2032	766.1	3.06	37.0	24.1	21.0	97.7	42.3	128.2	15.8	86.8	65.2	220.1
2033	773.3	3.06	36.8	24.0	21.3	98.8	42.6	129.9	16.0	87.4	65.8	222.7
2034	780.5	3.06	36.6	23.9	21.7	99.9	42.9	131.5	16.1	88.0	66.5	225.2
2035	787.5	3.06	36.3	23.9	22.0	101.0	43.1	133.0	16.2	88.5	67.2	227.8





County Economic and Demographic Indicators

Projected Economic Growth (2010-2015)

Expected retail sales growth:	19.4%
Expected job growth:	9.4%
Fastest growing jobs sector:	Construction
Expected personal income growth:	13.5%

Expected population growth:	5.7%
Net migration to account for:	32.7%
Expected growth in number of vehicles:	5.2%

Demographics (2009)

Unemployment rate (December)	12.2%
County Rank* in California (58 counties):	22nd
Working age (16-64) population:	65.7%

Population with B.A. Degree or higher:	25.5%
Median Home Selling Price:	\$181,102
Median Household Income:	\$57,847

Quality of Life

Violent Crime rate (2008):	653 per 100,000 persons
County Rank* in California (58 counties):	52nd
Average Commute Time to work (2009):	27.5 minutes

High School drop out rate (2008):	21.4 %
Households at/below poverty line:	10.1 %

* The county ranked 1st corresponds to the lowest rate in California